

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7685

BILL NUMBER: HB 1894

DATE PREPARED: May 1, 2001

BILL AMENDED: Apr 29, 2001

SUBJECT: Voluntary Annexations.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (CCR Amended) This bill specifies that with respect to an annexation initiated by all property owners of the area to be annexed:

- (1) the municipality must give notice of the hearing at least 20 day before the hearing;
- (2) a remonstrance may not be filed;
- (3) the public hearing may be held within 30 days after introduction of the ordinance;
- (4) the ordinance may be adopted not earlier than 14 days after the hearing;
- (5) the annexation takes effect at least 30 days after the annexation ordinance is published.

This bill also specifies that a landowner may withdraw the landowner's signature from a petition to annex containing signatures of all the landowners in the territory to be annexed.

The bill also provides that if a municipality repeals an annexation ordinance, it may not make further attempts to annex territory or any part of territory for 12, 24, or 42 months depending on at what point in the proceedings that the municipality repeals the ordinance.

The bill authorizes the town of Avon in Hendricks County to annex territory if the territory is contiguous to the town, if the entire territory is located in the township within which the town is primarily located, and if the owner of the territory consents to the annexation.

This bill also exempts the town of Fishers in Hamilton County from the requirement that the town obtain the consent of the legislative body of a second or third class city before annexing within 3 miles of the corporate boundaries of the city if the city is located in another county.

The bill provides that the date on which an annexation ordinance takes effect must be at least 90 days after the ordinance is published and filed. It requires that each page of a petition or remonstrance concerning an

annexation must have a heading stating that it is a petition for annexation.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *Filing petition for annexation in trial court:* The filing fee for a civil action in a trial court is \$100. Of this fee, 70%, or \$70, is deposited in the State General Fund if the case is filed in a trial court.

Explanation of Local Expenditures: (Revised) When territory is annexed, services are to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If annexation does not take place, then the municipality would not have to make these expenditures. Generally, annexation of territory into a municipality increases the property tax base. The taxpayers of the newly annexed areas usually experience a rate increase in property taxes, while existing taxpayers of the municipality may experience a rate reduction.

With respect to an annexation of certain territories, the municipality would be required by the bill, to give a one time publication notice, at least twenty days before a hearing on annexation of the territory in question.

Under P. L. 64-1995, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was three dollars and thirty cents (\$3.30) per square for the first insertion in a newspaper or qualified publication plus one dollar and sixty-five cents (\$1.65) per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by five percent (5%) more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of fifty percent (50%) is allowed for the publication of all public notice advertising containing rule or tabular work.

Filing petition for annexation in trial court: If an ordinance is not passed by the legislative body within 150 days (changed from 60 days by the bill) of filing a petition, a duplicate petition may be filed in the circuit or superior court of the county in which the territory in question is located. The provisions as listed in the digest would speed up the time period that an ordinance may be adopted to approve annexation. The operating expenses of the trial courts are paid by the County General Fund.

Explanation of Local Revenues: (Revised) *Filing petition for annexation in trial court:* If a civil case is filed in a trial court, the County General Fund receives 27%, or \$27, of the filing fee. The other 3%, or \$3, is deposited in the General Fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the County.

State Agencies Affected:

Local Agencies Affected: Municipalities, Legislative bodies, Circuit and Superior County Courts, County Auditor.

Information Sources: *1999 Indiana Judicial Service Report, Volume I, p. 77.*